

BUSINESS ENTITIES - A COMPARISON

| FACTOR | LIMITED LIABILITY | MANAGEMENT | MEMBERSHIP | TRANS OF INTEREST | DIFFERENT CLASSES OF OWNERSHIP | FEDERAL TAX | ILLINOIS INCOME TAX | ILLINOIS PERSONAL PROPERTY REPL. TX. | ANNUAL FRANCHISE TAX | FILING FEE |
|---------------------------------|---------------------------|-------------------------|--|---|--------------------------------|--|--|--------------------------------------|------------------------------|--|
| GENERAL PARTNERSHIP | Partners Equally Liable | All Partners | No Max. Minimum of Two | Restricted - Auth. by Partnership Agreement | Permitted | Pass thru to 1040 - 0 at Partnership Level | Pass thru to 1040 - 0 at Partnership Level | 1.50% | No | State - none County Filing Requirement Only |
| R.L.L.P. PARTNERSHIP | Yes - All Partners | All Partners | No Max. Minimum of Two | Restricted - Auth. by Partnership Agreement | Permitted | Pass thru to 1040 - 0 at Partnership Agreement | Pass thru to 1040 - 0 at Partnership Level | 1.50% | No | \$100 per Partner to a Max. of \$5000 Partnership |
| LIMITED PARTNERSHIP | Only the Limited Partners | By General Partners | No Max. Min. of Two (1 gen & 1 ltd) | Restricted - Auth. by Partnership Agreement | Permitted | Pass thru to 1040 - 0 at Partnership Level | Pass thru to 1040 - 0 at Partnership Level | 1.50% | No | \$75 \$15 Renewal |
| LIMITED LIABILITY COMANY | Yes | Members and/or Managers | No Max. Min. of One | Restricted - Auth. by Operating Agreement | Permitted | Pass thru to 1040 - 0 at Partnership Level | Pass thru to 1040 - 0 at Partnership Level | 1.50% | No | \$400 to Organize \$200 Annual Renewal under Amendatory Act of 1997 |
| SOLE PROPRIET-ORSHIP | No Limit | Self | One | Only upon Liquidation | No | Schedule "C" Tax Form to U.S. 1040 | Illinoise 1040 | 0.00% | No | None |
| "C" CORPORATION | Yes | Board of Directors | No Max. | No Restriction (usually) | Permitted | Graduated Tax from 15 - 37% | 4.8% Corp. Tax | 2.50% | Min. \$25 - Max. \$1 Million | To Incorporate \$150 + a min. \$25 Franchise Tax |
| "S" CORPORATION | Yes | Board of Directors | Max. 75; (No Corp, Trust, Pension Plan, or Non-resident Alien Stock Holders) | No Restriction (see above) | Only One Class of Stock | Pass thru to 1040 - 0 at Partnership Level | O Corp. Level Tax | 1.50% | Min. 25 - Max. \$1 Million | To Incorporate \$150 + a min. \$25 Franchise Tax |

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